

PROPOSED TRANSFER OF SPENDING ALLOCATION
Presented at the December 2005 Commission Meeting
Revision to Quarter Ending September 30, 2005

Background

In the 2005-2007 Transportation Budget (ESSB 6091), the Legislature updated and made slight revisions to the proviso language regarding transfers of spending allocation. A summary of the criteria established in this new budget bill, highlighting the funding impacts, the project impacts and the reporting requirements associated with these transfers are as follows:

Funding Impacts

1. Transfers from a project may be made if the funds allocated to the project are in excess of the amount needed to complete the project; and
2. Transfers may only be made if the Commission finds that any resulting change will not hinder the completion of the projects approved by the Legislature.

Project Impacts

1. Transfers may be made from a project experiencing unavoidable delays;
2. Transfers from a project may not be made as the result of the reduction of the scope of a project or to increase the scope of a project; and
3. Transfers may not occur to projects that are not identified on the applicable project lists.

Reporting Requirements

A report of transfers shall be submitted on October 1st for each fiscal year to the Senate and House of Representatives transportation committees.

History

Since July 1, 2003, WSDOT has reported to the Commission on the delivery of the 2003 nickel projects on a quarterly basis. In its WSDOT oversight role, the Commission has reviewed project accomplishments and highlights, and has taken action on proposed “adjustments to delivery planning” and “opportunities and options for legislative consideration.”

“Adjustments to delivery planning” has contained two types of action items:

- Proposals for transfer of spending (per provisos section 302 and 503 in the FY 03-05 budget), and
- Project cost increases. These items have been reported as they occur, and include only those increases necessary for timely delivery of projects on the 2003 nickel list. In each case, these cost adjustments were necessary to ensure that project delivery was not delayed waiting for a legislative budget adjustment. These adjustments, once approved by the Commission, were forwarded to the Governor (OFM) and the House and Senate Transportation Committee chairs on a quarterly basis.

The Commission also reviewed and took action on the department's proposal of "opportunities and options" for legislative consideration. Proposed items included under this heading were actions clearly outside the Commission's authority to approve (i.e., project scoping changes, project limit changes, etc.)

It has come to light, with the governance change of WSDOT becoming a cabinet agency, there is confusion about what the Commission's authority is related to managing the project delivery changes on a quarterly basis. In the 2005-07 budget, clear authority was granted the Commission in sections 305 and 603 on transfers of spending authority. What is not clear is how WSDOT will report and have the authority to implement project cost adjustments and proposals on to the legislature on more significant project changes.

"Undoing" A Previous Commission Action

The project transfer the Commission took action on in November, 2005, on the *US 12 Atilla Vicinity to US 730 – Added Lanes* project needs to be rescinded to comply with the literal understanding of ESSB 6091, Section 603. WSDOT, in attempting to manage the corridor as a whole, proposed transferring \$4.7M from this Stage 5 project in order to keep the advertisement date of December, 2005, on track on the *US 12 Atilla Vicinity – Added Lanes* project. This project experienced increased costs due to market increases in steel and concrete and the need to shift the alignment from the Boise Cascades waste disposal and composting site, which had potentially unsuitable and high-risk soils.

Action Requested

WSDOT requests the Commission rescind their action of November, 2005, authorizing a transfer of funds to the *US 12 Atilla Vicinity to US 730 – Added Lanes* project.

Attached is the revised beige page reporting, modified to reflect this change, as reported to the Governor, OFM and the legislature. WSDOT will continue to work with the Commission, OFM, and the legislature to clarify reporting and approval authorities in the on-going delivery of the 2003 and 2005 transportation package projects.